

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION OF CHEVRON U.S.A. INC.
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

Chevron U.S.A. Inc. ("Chevron" or "Applicant") (OGRID No. 4323), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Wolfcamp (oil) formation underlying a standard 960-acre, more or less, horizontal well spacing unit comprised of the E/2 of Sections 15, 22, and 27, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico. In support of its application, Chevron states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to initially dedicate the above-referenced spacing unit to the proposed:
 - **DL 15 27 Federal Com 622H** (API No. 30-025-54711) well, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 10, with a first take point in the NW/4 NE/4 (Unit B) of Section 15, and a last take point in the SW/4 SE/4 (Unit O) of Section 27; and
 - **DL 15 27 Federal Com 623H** (API No. 30-025-54712) and **DL 15 27 Federal Com 624H** (API No. 30-025-54713) wells, both to be horizontally drilled from surface locations in the SW/4 SE/4 (Unit O) of Section 10, with first take points in the NE/4 NE/4 (Unit A) of Section 15, and last take points in the SE/4 SE/4 (Unit P) of Section 27.

3. The completed interval of the DL 15 27 Federal Com 623H well is expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal well spacing unit under 19.15.16.15.B(1)(b) NMAC.

4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject spacing unit.

5. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on the October 8, 2026, hearing docket and after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interest owners in the horizontal spacing unit;
- B. Designating Applicant as operator of this spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, completing, and equipping the wells;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

HOLLAND & HART LLP

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ATTORNEYS FOR CHEVRON U.S.A. INC.

CASE _____: **Application of Chevron U.S.A. Inc. for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Wolfcamp formation underlying a standard 960-acre, more or less, horizontal well spacing unit comprised of the E/2 of Sections 15, 22, and 27, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico. Applicant seeks to initially dedicate the above-referenced spacing unit to the proposed:

- **DL 15 27 Federal Com 622H** (API No. 30-025-54711) well, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 10, with a first take point in the NW/4 NE/4 (Unit B) of Section 15, and a last take point in the SW/4 SE/4 (Unit O) of Section 27; and
- **DL 15 27 Federal Com 623H** (API No. 30-025-54712) and **DL 15 27 Federal Com 624H** (API No. 30-025-54713) wells, both to be horizontally drilled from surface locations in the SW/4 SE/4 (Unit O) of Section 10, with first take points in the NE/4 NE/4 (Unit A) of Section 15, and last take points in the SE/4 SE/4 (Unit P) of Section 27.

The completed interval of the DL 15 27 Federal Com 623H well is expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal well spacing unit under 19.15.16.15.B(1)(b) NMAC. Also, to be considered will be the designation of Applicant as operator of the wells. Said area is located approximately 25 miles southwest of Eunice, New Mexico.